

SERFF Tracking Number: AMLX-G126591903 State: Illinois
 Filing Company: American Alternative Insurance Corporation State Tracking Number: AMLX-G126591903
 Company Tracking Number: IL0273300013
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0004 Community Health Centers
 Made/Occurrence
 Product Name: Hospice and Community Care Insurance Services Prog
 Project Name/Number: 2009: GL/PL Rate Review/IL0273300013

Filing at a Glance

Company: American Alternative Insurance Corporation

Product Name: Hospice and Community Care Insurance Services Prog SERFF Tr Num: AMLX-G126591903 State: Illinois
 TOI: 11.0 Medical Malpractice - Claims SERFF Status: Closed-Filed State Tr Num: AMLX-G126591903
 Made/Occurrence
 Sub-TOI: 11.0004 Community Health Centers Co Tr Num: IL0273300013 State Status:
 Filing Type: RF3 - Summary Sheet only Reviewer(s): Gayle Neuman
 Author: SPI Disposition Date: 10/25/2011
 AmericanAlternativeInsurance
 Date Submitted: 04/20/2010 Disposition Status: Filed
 Effective Date Requested (New): 07/01/2010 Effective Date (New): 07/01/2010
 Effective Date Requested (Renewal): 07/01/2010 Effective Date (Renewal): 07/01/2010

State Filing Description:

General Information

Project Name: 2009: GL/PL Rate Review Status of Filing in Domicile:
 Project Number: IL0273300013 Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 10/25/2011
 State Status Changed: Deemer Date:
 Created By: SPI AmericanAlternativeInsurance Submitted By: SPI
 AmericanAlternativeInsurance

Corresponding Filing Tracking Number:

Filing Description:

American Alternative Insurance Corporation is submitting for your review and acknowledgment the enclosed rate/rule filing for use with our Hospice and Community Care Insurance Services Program (HCCIS) which is currently on file with your department.

We are also proposing to revise our rates/rules for the Professional/General Liability line of business as follows:

Revised claims-made factors, including:

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structural changes to support the new PL Claims-Made/GL Occurrence policy form option which is being submitted under separate cover as required.

structural changes to support different retro dates for GL v. PL

changes to the claims-made factors based on a review of competitor factors

Increased minimum premium from \$500 to \$1,000

Elimination of the special events low hazard premium charge

Introduction of class rates for Staffing Agencies

Revision of the entity class (H001 - H008) base rates

Increased rates for our hired and non-owned auto liability coverage from \$300 to \$500

Revised Physician and Nurse Practitioner base rates

Rule 16. Supplemental Extended Reporting Period Endorsement - General Liability (HGL315) is amended to state that this endorsement is not applicable to HGL121.

Rule 23. Amendatory Endorsement (HGL320 or HGL321) is changed to show that HGL320 is attached to all policies using HGL101 and HGL321 must be attached to all policies using HGL121.

Rule 25. Amendment of Coverage - Medical Staffing Services has been added

The total overall rate level impact of these changes is -1.6%.

We propose that this filing apply to all policies effective on or after July 1, 2010.

Your early acknowledgment is appreciated. Should you have any questions regarding this submission, please do not hesitate to contact me.

Company and Contact

Filing Contact Information

Beth MacDougall, Project Employee bmacdougall@munichreamerica.com
555 College Road East 609-275-2109 [Phone]
Princeton, NJ 08543-5241 609-951-8285 [FAX]

Filing Company Information

American Alternative Insurance Corporation	CoCode: 19720	State of Domicile: Delaware
555 College Road East	Group Code: 361	Company Type:
Princeton, NJ 08543-5241	Group Name: Munich Re Group	State ID Number:
(800) 305-4954 ext. [Phone]	FEIN Number: 52-2048110	

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Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

State Specific

Refer to our checklists prior to submitting filing

(http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm): in compliance

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: in compliance

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. : http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm: in compliance

Medical Malpractice rates/rules may only be submitted in paper.: N/A

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": in compliance

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: N/A

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	10/25/2011	10/25/2011

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	IL HCCIS GL Rule Pages	SPI AmericanAlternativeInsurance	08/19/2011	08/19/2011

SERFF Tracking Number:	AMLX-G126591903	State:	Illinois
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Disposition

Disposition Date: 10/25/2011
Effective Date (New): 07/01/2010
Effective Date (Renewal): 07/01/2010
Status: Filed
Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Alternative Insurance Corporation	12.800%	-1.600%	\$-13,278	101	\$809,123	%	%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Rules - Marked Copy		No
Supporting Document	Support Exhibits		No
Supporting Document	HGLIL6 (07/10) Reference Only		No
Supporting Document (revised)	Illinois Certification for Medical Malpractice Rates		Yes
Supporting Document	Illinois Certification for Medical Malpractice Rates		No
Supporting Document	AAIC Officer Listing		No
Rate (revised)	IL HCCIS GL Rule Pages		Yes
Rate	IL HCCIS GL Rule Pages		No
Rate	IL HCCIS GL Rule Pages		No
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Amendment Letter

Submitted Date: 08/19/2011

Comments:

Attached is a revised set of rule pages with the schedule rating plan revised to reflect a max. of 25% as required.
Please let me know if you have any questions. Thank you.

Changed Items:

Rate/Rule Schedule Item Changes:

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Number:	Attach Document:
IL HCCIS GL Rule Pages	HGL-1 thru HGL-12	Replacement		IL Hospice GL RU 07- 10.PDF

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Rate Information

Rate data applies to filing.

Filing Method:	Use and File
Rate Change Type:	Decrease
Overall Percentage of Last Rate Revision:	64.200%
Effective Date of Last Rate Revision:	10/01/2005
Filing Method of Last Filing:	Use and File

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Alternative Insurance Corporation	12.800%	-1.600%	\$-13,278	101	\$809,123	%	%

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Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
	IL HCCIS GL Rule Pages	HGL-1 thru HGL-12	Replacement	IL Hospice GL RU 07- 10.PDF

**AMERICAN ALTERNATIVE INSURANCE CORPORATION (AAIC)
HOSPICE AND COMMUNITY CARE INSURANCE SERVICES PROGRAM
PROFESSIONAL/GENERAL LIABILITY INSURANCE
RATE/RULE MANUAL**

Hospice and Home Health Care Liability Coverage Form

A. Coverage Availability

The following coverages are provided in the core coverage form:

Coverage A – Bodily Injury and Property Damage Liability

Coverage B – Personal and Advertising Injury Liability

Coverage C – Professional Health Care Liability

Coverage D – Medical Expenses

Coverage form HGL101 provides claims-made coverage for all coverages. Coverage form HGL121 provides occurrence coverage for coverages A, B, and D, and claims-made coverage for Coverage C. Refer to the appropriate coverage form for details of coverage.

The following limits of insurance apply:

Each Occurrence or Medical Incident Limit	\$1,000,000
Damage to Premises Rented to You Limit	\$1,000,000 Any one premises
Medical Expense Limit	\$ 50,000 Any one person
Personal & Advertising Injury Limit	\$1,000,000 Any one person or organization
General Aggregate Limit	\$3,000,000
Products/Completed Operations Aggregate Limit	\$3,000,000

B. Base Coverage Rating Formula

Step 1

Depending on the risk, more than one entity classification may apply to an account.

For each entity classification, calculate the entity class manual premium as follows:

$$\begin{array}{rcl}
 & \text{Entity Class base rate} & \\
 \times & \text{Number of entity class exposures} & \\
 \times & \text{Pediatric factor} & \\
 \times & \text{Sexual Abuse factor} & \\
 \times & \text{Policy form factor} & \\
 \times & \text{Deductible factor} & \\
 \times & \text{Expense variation factor} & \\
 = & \text{Entity Class manual premium} &
 \end{array}$$

Step 2

Sum all Entity Class manual premiums to get the Total Entity Class manual premium

Step 3

For each medical professional, calculate the medical professional manual premium as follows:

$$\begin{aligned}
 & \text{Medical Professional Class base rate} \\
 & \times (\text{Number of hours worked per month} / 160) \\
 & \times \text{Medical Malpractice factor} \\
 & \times \text{Board Certified factor} \\
 & \times \text{Policy form factor} \\
 & \times \text{Deductible factor} \\
 & \times \text{Expense variation factor} \\
 & = \text{Medical Professional manual premium}
 \end{aligned}$$

Step 4

Sum all Medical Professional manual premiums to get the Total Medical Professional manual premium

Step 5

For each staffing agency medical professional class, calculate the staffing agency medical professional manual premium as follows:

$$\begin{aligned}
 & \text{Staffing Agency Medical Professional Class base rate} \\
 & \times (\text{Total Number of hours worked per year for all workers combined} / 2,000) \\
 & \times \text{Policy form factor} \\
 & \times \text{Deductible factor} \\
 & \times \text{Expense variation factor} \\
 & = \text{Staffing Agency Medical Professional manual premium}
 \end{aligned}$$

Step 6

Sum all Staffing Agency Medical Professional manual premiums to get the Total Staffing Agency Medical Professional manual premium

Step 7

Depending on the risk, more than one Bereavement Camp may apply to an account. For each Bereavement Camp, calculate the Bereavement Camp manual premium as follows:

$$\begin{aligned}
 & \text{Bereavement Camp base rate} \\
 & \times \text{Number of times held annually} \\
 & \times \text{Sexual Abuse factor} \\
 & \times \text{Policy form factor} \\
 & \times \text{Deductible factor} \\
 & \times \text{Expense variation factor} \\
 & = \text{Bereavement Camp manual premium}
 \end{aligned}$$

Step 8

Sum all Bereavement Camp manual premiums to get the Total Bereavement Camp manual premium

Step 9

Depending on the risk, more than one Special Event may apply to an account. For each Special Event, calculate the Special Event manual premium as follows:

$$\begin{aligned}
 & \text{Special Events base rate} \\
 & \times \text{ Number of times held annually} \\
 & \times \text{ Policy form factor} \\
 & \times \text{ Deductible factor} \\
 & \times \text{ Expense variation factor} \\
 & = \text{ Special Events manual premium}
 \end{aligned}$$

Step 10

Sum all Special Events manual premiums to get the Total Special Events manual premium

Step 11

$$\begin{aligned}
 & [\text{Pharmacy Operations base rate} \\
 & + (\text{Number of patients in excess of 500 } \underline{\text{times}} \text{ excess rate)}] \\
 & \times \text{ Policy form factor} \\
 & \times \text{ Deductible factor} \\
 & \times \text{ Expense variation factor} \\
 & = \text{ Pharmacy Operations manual premium}
 \end{aligned}$$

Step 12

$$\begin{aligned}
 & \text{Medical Equipment base rate} \\
 & \times \text{ Number of inventory items} \\
 & \times \text{ Policy form factor} \\
 & \times \text{ Deductible factor} \\
 & \times \text{ Expense variation factor} \\
 & = \text{ Medical Equipment manual premium}
 \end{aligned}$$

Step 13

$$\begin{aligned}
 & [(\text{Wellness Programs base rate} \\
 & \times \text{ Number of annual immunizations/shots up to 10,000}) \\
 & + (\text{Wellness Programs excess rate} \\
 & \times \text{ Number of annual immunizations/shots in excess of 10,000})] \\
 & \times \text{ Policy form factor} \\
 & \times \text{ Deductible factor} \\
 & \times \text{ Expense variation factor} \\
 & = \text{ Wellness Programs manual premium}
 \end{aligned}$$

Step 14

$$\begin{aligned}
 & \text{Thrifty Shops base rate} \\
 & \times (\text{Annual gross sales receipts} / 1,000) \\
 & \times \text{ Policy form factor} \\
 & \times \text{ Deductible factor} \\
 & \times \text{ Expense variation factor} \\
 & = \text{ Thrifts Shops manual premium}
 \end{aligned}$$

Step 15

$$\begin{aligned}
 & \text{Total Entity Class manual premium} \\
 & + \text{ Total Medical Professional manual premium} \\
 & + \text{ Total Staffing Agency Medical Professional manual premium} \\
 & + \text{ Total Bereavement Camp manual premium} \\
 & + \text{ Total Special Events manual premium} \\
 & + \text{ Pharmacy Operations manual premium} \\
 & + \text{ Medical Equipment manual premium} \\
 & + \text{ Wellness Programs manual premium} \\
 & + \text{ Thrift Shops manual premium} \\
 & = \text{ Total Base Coverage manual premium}
 \end{aligned}$$

C. Base Coverage Rating Basis

Class Type	Description	Class Code	Exposure Rating Base
Entity	Hospice Not For Profit – In-home Care	H001	Per Patient Day on Service
	Hospice Not For Profit – In-patient Care	H002	Per Licensed Bed
	Hospice For Profit – In-home Care	H003	Per Patient Day on Service
	Hospice For Profit – In-patient Care	H004	Per Licensed Bed
	Home Healthcare -- Not For Profit	H005	Per Patient Visit
	Home Healthcare -- For Profit	H006	Per Patient Visit
	Palliative Care – Non-Hospice Patients – Not For Profit	H007	Per Patient Visit
	Palliative Care – Non-Hospice Patients – For Profit	H008	Per Patient Visit
	Domestic Service Provider	H009	Per Client
	Hospice Association	H010	Per Member Organization
	Staffing Agency	H026	Per \$1,000 Total Payroll****
Medical Professional	Physician	H011	Hours per month / 160*
	Nurse Practitioner	H012	Hours per month / 160*
Staffing Agency Medical Professional	Non-skilled workers	H027	Hours per year / 2,000
	Skilled workers – low hazard	H028	Hours per year / 2,000
	Skilled workers – medium hazard	H029	Hours per year / 2,000
	Skilled workers – high hazard	H030	Hours per year / 2,000
Bereavement Camp	Low Hazard Bereavement Camp	H013	Each Camp
	Medium Hazard Bereavement Camp	H014	Each Camp
	High Hazard Bereavement Camp	H015	Each Camp
	Bereavement Camp – more than 100 campers	H016	Each Camp
Special Event	Low Hazard Special Event	H017	Each Event
	Medium Hazard Special Event	H018	Each Event
	High Hazard Special Event	H019	Each Event
	Special Event – more than 1,000 guests	H020	Each Event
Pharmacy	In-house Pharmacy Operation	H021	Per Patient
Medical Equipment	Owned Diagnostic or Treatment Devices**	H022	Per Inventory Item
	Owned Critical Life Monitoring Equipment***	H023	Per Inventory Item
Wellness	Wellness Program	H024	Per Immunization
Thrift Shop	Thrift Shop	H025	Per \$1,000 gross sales

* subject to a minimum of 8 hours per month for any one medical professional.

** Includes treatment devices or equipment other than those used to sustain life or perform critical life monitoring functions.

*** Includes dialysis or heart/lung machines, apnea monitors, SIDS monitors or any other life dependent monitors, equipment, or devices.

**** Payroll is limited to medical professionals employed by the staffing agency. Do not include the payroll of employees engaged principally in inside activities at the insured premises.

Staffing Agency Medical Professional Class Groups	
Class Group	Medical Professionals
Non-skilled workers	Homemaker, Home Health Aid, Nurse Aid, Nursing Assistant, Clerical/Administrative
Skilled Workers – low hazard	LPN, Pharmacy Assistant, Lab Technician, EKG Technician, X-ray technician, Radiology Technician, Medical Technician, Certified Medical Assistant, Dietician/Nutritionists
Skilled Workers –medium hazard	RN, Social Worker, Speech Pathologist, Speech Therapist, Dialysis Technician, Enterostomal Therapist, Occupational Therapist
Skilled Workers – high hazard	Physical Therapist, Respiratory Therapist, Phlebotomist, Radiation Therapist

Bereavement Camp Hazards		
Low Hazard	Medium Hazard	High Hazard
Less than 15 campers	15 to 35 campers	36-100 campers
No Overnight campers	No overnight campers	Overnight campers
No Sports activities	With Sports activities	With or Without Sports Activities

If the characteristics of a camp place it in more than one class, the highest hazard class applicable to the camp will be used.

Special Events Hazards		
Low Hazard	Medium Hazard	High Hazard
Less than 200 guests	201 to 500 guests	501 to 1,000 guests
No Alcohol Served	Alcohol Served	Sports Events w/Children
Angel Trees	Dances	Water Events
Toy Drives	Casino Nights	Animal Events
Auctions	Sports Events	Vehicle Events
Meals	Carnivals	
Clothing Drives		

If the characteristics of a Special Event place it in more than one class, the highest hazard class applicable to the event will be used.

D. Base Coverage Rates

Class Code	Territory Rating/Tier	Base Rates	
		General Liability	Professional Health Care Liability
H001	Cook, Will, DuPage, and Lake Counties	\$0.06	\$0.32
	Remainder of State	\$0.04	\$0.20
H002	Cook, Will, DuPage, and Lake Counties	\$40	\$228
	Remainder of State	\$26	\$147
H003	Cook, Will, DuPage, and Lake Counties	\$0.07	\$0.37
	Remainder of State	\$0.04	\$0.24
H004	Cook, Will, DuPage, and Lake Counties	\$46	\$263
	Remainder of State	\$30	\$169
H005	Cook, Will, DuPage, and Lake Counties	\$0.07	\$0.37
	Remainder of State	\$0.04	\$0.24
H006	Cook, Will, DuPage, and Lake Counties	\$0.07	\$0.42
	Remainder of State	\$0.05	\$0.26
H007	Cook, Will, DuPage, and Lake Counties	\$0.07	\$0.37
	Remainder of State	\$0.04	\$0.24
H008	Cook, Will, DuPage, and Lake Counties	\$0.07	\$0.42
	Remainder of State	\$0.05	\$0.26
H009	<= 20 Clients – Entire State	\$2,000	No Charge
	Each of next 30 Clients – Entire State	\$70	
	Each of next 25 Clients – Entire State	\$45	
	Each of next 25 Clients – Entire State	\$25	
	Each additional Client – Entire State	\$5	
H010	Entire State	\$0.50	No Charge
H011	Cook, Madison, St. Clair, and Will Counties	No Charge	\$35,333
	DuPage, Kane, McHenry, Jackson, Lake, and Vermillion Counties		\$29,145
	Remainder of State		\$20,145
H012	Cook, Madison, St. Clair, and Will Counties	No Charge	\$8,833
	DuPage, Kane, McHenry, Jackson, Lake, and Vermillion Counties		\$7,286
	Remainder of State		\$5,036
H013	Entire State	\$100	No Charge
H014	Entire State	\$200	No Charge
H015	Entire State	\$300	No Charge
H016	Entire State	Refer to Company	No Charge
H017	Entire State	No Charge	No Charge
H018	Entire State	\$250	No Charge
H019	Entire State	\$500	No Charge
H020	Entire State	Refer to Company	No Charge
H021	Base – Entire State	\$38	\$212
	Excess – Entire State	\$0.08	\$0.42
H022	Entire State	\$11	No Charge
H023	Entire State	\$14	No Charge
H024	Base – Entire State	\$0.02	\$0.08
	Excess – Entire State	\$0.01	\$0.04
H025	Entire State	\$4.00	No Charge
H026	Cook, Will, DuPage, and Lake Counties	\$2.27	No Charge
	Remainder of State	\$1.73	No Charge
H027	Entire State	No Charge	\$62

Class Code	Territory Rating/Tier	Base Rates	
		General Liability	Professional Health Care Liability
H028	Entire State	No Charge	\$133
H029	Entire State	No Charge	\$164
H030	Entire State	No Charge	\$381

E. Pediatric Factor

The rates for classes H001 through H009 are subject to modification to reflect the percent of total care that is pediatric.

Pediatric factor = 1 + (number of pediatric exposures / number of total exposures)

F. Sexual Abuse Factor

The rates for classes H001 through H010, and H013 through H016 are subject to a modification factor of 1.15 for Sexual Abuse Vicarious Liability. The rate for class H026 is subject to a modification factor of 1.80 for Sexual Abuse Vicarious Liability.

G. Medical Malpractice factor

Medical Professional Scheduled?*	Underlying Medical Malpractice Policy		Medical Malpractice Factor
	Policy In-force?	Extends coverage to the entity?**	
No***	Yes	Yes	0.05
		No	0.20
	No	N/A	0.20
Yes	Yes	Yes	0.26
		No	0.41
	No	N/A	1.00

* scheduled medical professionals are those listed as additional insureds using endorsement HGL303.

** i.e., does the medical professional's underlying medical malpractice liability policy extend coverage to the entity for professional healthcare liability due to the wrongful acts of the medical professional?

*** Note: no charge will be made for medical professionals named on endorsement HGL206.

H. Board Certified factor

For each medical professional, a credit of 10% (i.e., factor of 0.90) applies if they are board certified.

I. Policy form factor

Years In Claims Made*	HGL101		HGL121
	GL	PL	PL
0	0.64	0.45	0.45
1	0.79	0.70	0.70
2	0.87	0.85	0.85
3	0.92	0.94	0.94
4	1.00	1.00	1.00
5 or more	1.00	1.00	1.00

* Round up to the next highest claims-made year.

J. Deductible factor (if applicable, attach Endorsement HGLIL3)

Deductible*	Deductible Factor
\$0	1.00
\$25,000	0.85
\$50,000	0.75
\$100,000	0.60

* each medical incident or occurrence.

K. Expense Variation factor

Expense Variation Factor = Expected Loss Ratio underlying the company manual premium / (Expected Loss Ratio underlying the company manual premium minus Expense ratio adjustment for the policy)

L. Employee Benefits Liability (EBL) Coverage (attach the applicable endorsement)

Employee Benefits Liability coverage is available and can be added by attaching the applicable endorsement. This coverage is rated as follows (which includes a \$1,000 deductible per employee):

$$\begin{array}{l} \text{EBL Base rate} \\ \times \text{Expense variation factor} \\ \hline = \text{EBL manual premium} \end{array}$$

Per Occurrence Limit	Aggregate Limit	EBL Base Rate
\$25,000	\$50,000	No Charge
\$50,000	\$50,000	\$100
\$100,000	\$100,000	\$150
\$250,000	\$250,000	\$272
\$500,000	\$500,000	\$368
\$750,000	\$750,000	\$428
\$1,000,000	\$1,000,000	\$470

M. Schedule rating factor

Premiums are subject to modification reflecting specific individual characteristics of the risk. All insureds are eligible for the Schedule Rating Plan. Such rate modification may be applied in accordance with the following Schedule Rating Plan, subject to a maximum credit or debit of 25%:

Risk Characteristics	Range of Modification		
	<u>Credit</u>	to	<u>Debit</u>
1. Management: Experience in industry, Safety Committee	5%	to	5%
2. Services – Day care services, Infusion therapy, Consulting, Training, Software sales, Other than Hospice/Home Healthcare services	0%	to	15%
3. Accreditation – Medicare, JCAHO, ACHC, etc.	5%	to	5%
4. Employees & Volunteers – selection & training, supervision, comprehensive background check, qualifications of professionals, employed/contracted physicians	10%	to	10%
5. Documented Policies and Procedures: Risk Management program, Quality Assurance program, Sexual Abuse Prevention policy	5%	to	5%

N. Policy Premium

The policy premium is calculated as follows:

Step 1	Total General Liability Base Coverage manual premium
+	Total Professional Health Care Liability Base Coverage manual premium
+	<u>Employee Benefits Liability manual premium</u>
=	Policy manual premium
Step 2	Policy manual premium
X	<u>Schedule rating factor</u>
=	Annual Policy premium (subject to a \$1,000 minimum, pro-rated for other than annual policy terms. Waive additional or return premium of \$15 or less. However, any return premium requested by the insured must be granted.)

O. Supplemental Extended Reporting Period Coverage (SERP)

When coverage was provided on a claims-made basis, Supplemental Extended Reporting Period coverage is available separately for General Liability, Professional Healthcare Liability, and Employee Benefits Liability.

a. SERP Rating Formulas

$$\begin{aligned}
 &\text{General Liability SERP (attach endorsement HGL315)} \\
 &\text{(General Liability SERP rate} \\
 &X \text{ General Liability expiring annual policy premium)} \\
 &= \text{General Liability SERP premium}
 \end{aligned}$$

$$\begin{aligned}
 &\text{Professional Healthcare Liability SERP (attach endorsement HGL309)} \\
 &\text{(Professional Healthcare Liability SERP rate} \\
 &X \text{ Professional Healthcare Liability expiring annual policy premium)} \\
 &= \text{Professional Healthcare Liability SERP premium}
 \end{aligned}$$

Employee Benefits Liability SERP (attach endorsement HGL310)

EBL SERP rate

X EBL expiring annual policy premium

= Employee Benefits Liability SERP premium

b. SERP Rates

Years of SERP Coverage	General Liability	Employee Benefits Liability	Professional Healthcare Liability
1 Year	0.750	0.750	1.000
3 Years	1.250	1.250	1.500
5 Years	1.750	1.750	2.000
Unlimited	2.000	2.000	Not Available

c. SERP Conditions

The availability of the SERP options shall be governed by the following rules:

1. The available limits of liability shall not exceed those afforded under the expiring claims-made policy; and
2. The Employee Benefits Liability SERP is not available unless the General Liability SERP is also purchased, and the years of SERP coverage for Employee Benefits Liability must be the same as the years of SERP coverage for General Liability; and
3. The insured may purchase a SERP if the policy is cancelled or nonrenewed for any reason, provided:
 - a. The insured requests the SERP, in writing, within 60 days of the non-renewal or cancellation of the policy; and
 - b. The insured pays the premium (in full) promptly, when due.

P. Endorsements

The following **endorsements** are available. Refer to each endorsement for specific details. Unless otherwise noted, there is no premium impact associated with these endorsements.

1. Illinois Deductible Liability Insurance (HGLIL3) – this endorsement may be used to provide the insured with a deductible. Refer to Section J. of the rating rules for deductible credit factors.
2. Illinois Employee Benefits Liability Coverage (HGLIL2) – this endorsement may be used to provide Employee Benefits Liability Coverage for damages arising out of negligent acts, errors or omissions in the insured's administration of employee benefits programs. Refer to the rating rules for the charge for this coverage.
3. Pharmacy Amendatory (HGL316) – this endorsement may be used to provide liability coverage for pharmacies which service the general public.
4. Legal Expense Reimbursement (HGL102) – this endorsement may be used to provide reimbursement for legal expenses resulting from an action instituted against the insured by any federal, state, or local agency resulting from the insured's participation in Medicare, Medicaid programs or similar government healthcare programs.
5. Blanket Additional Insured (HGL304) – this endorsement may be used to provide that anyone added as an additional insured on a certificate of insurance, other than Health Care Professionals, will be an additional insured under the policy.

6. Additional Insured – Scheduled Medical Professionals (HGL303) -- this endorsement may be used to include scheduled medical professionals as additional insureds. Refer to section B. of the rating rules for the determination of premium for each scheduled medical professional.
7. Additional Insured – Designated Person or Organization (HGL307) – this endorsement may be used to include a designated person or organization as an additional insured.
8. Additional Insured – Lessor (HGL308) – this endorsement may be used to include the owners of a property leased by the named insured as an additional insured.
9. Exclusion of Specific Accidents or Incidents (HGL200) – this endorsement may be used to exclude liability arising out of previous specific accidents or incidents.
10. Exclusion of Specific Activity or Event (HGL201) – this endorsement may be used to exclude liability arising out of a specific activity or events.
11. Exclusion – Designated Operations (HGL203) – this endorsement may be used to exclude liability arising out of designated operations conducted by the named insured.
12. Exclusion – All Hazards in Connection with Designated Premises (HGL204) – this endorsement may be used to exclude liability arising out of the ownership, maintenance, or use of the designated premises.
13. Exclusion – Designated Contract(s) (HGL205) – this endorsement may be used to exclude liability assumed by the named insured under a designated contract.
14. Exclusion of Vicarious Liability for Specified Medical Professionals (HGL206) – this endorsement may be used to exclude liability arising out of medical incidents committed by medical professionals specified in the endorsement.
15. Amendment – Clinical or Experimental Trials Exclusion (HGL202) – this endorsement may be used to provide liability coverage arising from specified clinical or experimental trials conducted by the named insured as described in the schedule.
16. Supplemental Extended Reporting Period Endorsement – General Liability (HGL315) – this endorsement may be used to provide an extended reporting period for General Liability coverage. This endorsement is not applicable to HGL121. Refer to the Supplemental Extended Reporting Period section in the rating rules for the charge.
17. Supplemental Extended Reporting Period Endorsement – Professional Liability (HGL309) -- this endorsement may be used to provide an extended reporting period for Professional Liability coverage. Refer to the Supplemental Extended Reporting Period section in the rating rules for the charge.
18. Supplemental Extended Reporting Period Endorsement – Employee Benefits Liability (HGL310) -- this endorsement may be used to provide an extended reporting period for Employee Benefits Liability coverage. Refer to the Supplemental Extended Reporting Period section in the rating rules for the charge.
19. Cancellation Endorsement (HGL300) – this endorsement clarifies the cancellation effective date.
20. Illinois Changes (HGLIL1) – this is a mandatory endorsement in order to comply with state requirements. Attach to all policies.
21. Illinois Changes – Sexual Abuse Vicarious Liability (HGLIL4) – this is a mandatory endorsement to comply with state requirements. Attach to all policies.

22. Illinois Changes – Defense Costs (HGLIL5) – this endorsement is mandatory. Attach to all policies.
23. Amendatory Endorsement (HGL320 or HGL321) – this endorsement clarifies that Medical Directors, physicians, etc., who were previously insured under a Hospice and Home Health Care Policy issued by us, are insureds under the current coverage form. HGL320 must be attached to all policies using HGL101; HGL321 must be attached to all policies using HGL121.
24. Mobile Equipment Subject to Motor Vehicle Laws (GGL300) – this endorsement amends the definitions of auto and mobile equipment to consider “any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle law” as autos, and not as mobile equipment. Attach to all policies.
25. Amendment of Coverage – Medical Staffing Services (HGL326) – this endorsement may be used to provide coverage for medical staffing services.
26. Illinois Changes (HGLIL06) – this endorsement is mandatory. HGLIL06 must be attached to all policies using HGL101 or HGL121.

Q. Enabling Rule

The rules, rates, forms, and classifications in this manual make up the Hospice And Community Care Insurance Services Professional/General Liability Program and may not be amended unless specifically permitted. However, any other rules, rates, or forms filed and approved for use by AAIC may apply when not in conflict with the Hospice And Community Care Insurance Services Program.

R. Premium Installment Rule

With regard to premium payment plans:

All quarterly installment premium payment plans shall include the minimum standards listed below. Quarterly installment premium payment plans can differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below:

1. An initial payment of no more than 40% of the estimated total premium is due at policy inception;
2. The remaining premium must be spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
3. No interest charges can apply;
4. Installment charges or fees can be no more than 1% of the total premium or \$25.00, whichever is less;
5. Any additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

SUMMARY SHEET

Change in Company's premium or rate level produced by rate
revision effective 07/01/2010.

(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1. Automobile Liability		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other	\$809,123	-1.6%
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes?

If so, specify: _____

na

Brief description of filing.

1. The following revisions to the claims- made factors:

Structural changes to support the new PL Claims-made/GL occurrence policy form option

Structural changes to support different retro dates for GL vs. PL

Changes to the claims- made factors based on a review of competitor factors

Introduction of factors to support the occurrence policy form option

- Increase the minimum premium from \$500 to \$1,000
- Elimination of the Special Events Low Hazard premium charge
- Introduction of class rates for Staffing Agencies
- Revisions to entity class (H001-H008) base rates
- Revisions to Physician and Nurse Practitioner base rates

* Adjusted to reflect all prior rate changes.

** Change in Company's premium level which will
result from application of new rates.

American Alternative Insurance Corporation

Name of Company

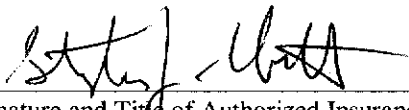
Stephen J. Corbett - Vice President
Official - Title

**ILLINOIS CERTIFICATION FOR
MEDICAL MALPRACTICE RATES**


(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Stephen J. Corbett, a duly authorized officer of American Alternative Insurance Corporation, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Chris Claus, a duly authorized actuary of American Alternative Insurance Corporation, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.



Signature and Title of Authorized Insurance Company Officer Vice President 07/22/2010
Date



Signature, Title and Designation of Authorized Actuary Head of Pricing, Specialty Insurance Division, FCAS, MAAA 07/22/2010
Date

Insurance Company FEIN 52-2048110 Filing Number IL0273300013

Insurer's Address 555 College Road East

City Princeton State NJ Zip Code 08543

Contact Person's:

-Name and E-mail Beth MacDougall (bmacdougall@munichreamerica.com)
 Donna DiMatteo (ddimatteo@munichreamerica.com)

-Direct Telephone and Fax Number

Beth MacDougall – 609-275-2109

Donna DiMatteo – 609-243-4321

Fax – 609-275-2147

SERFF Tracking Number: AMLX-G126591903 State: Illinois

Filing Company: American Alternative Insurance Corporation State Tracking Number: AMLX-G126591903

Company Tracking Number: IL0273300013

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0004 Community Health Centers
Made/Occurrence

Product Name: Hospice and Community Care Insurance Services Prog

Project Name/Number: 2009: GL/PL Rate Review/IL0273300013

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
07/23/2010	Rate and Rule	IL HCCIS GL Rule Pages	08/19/2011	IL Hospice GL RU 07-10.PDF (Superceded)
07/15/2010	Rate and Rule	IL HCCIS GL Rule Pages	07/23/2010	IL Hospice GL RU 07-10.PDF (Superceded)
04/20/2010	Rate and Rule	IL HCCIS GL Rule Pages	07/15/2010	IL Hospice GL RU 07-10.PDF (Superceded)